

FISCAL NOTE

HB 2824 - SB 3119

February 20, 2002

SUMMARY OF BILL: Requires the state board of equalization to determine and publish ratios for the respective sub-classifications of property for each county. Specifies that a taxpayer may protest an assessment by demonstrating that the actual cash value of the property protested has not been equalized with the common level ratio within the appropriate subclass.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Less than \$100,000

Increase Local Govt. Expenditures* - Exceeds \$100,000

Decrease Local Govt. Revenues - Exceeds \$100,000

Estimate assumes:

- the state will experience an increase in expenditures for the administrative costs associated with performing additional ratio studies including overtime for Division of Property Assessment staff. This increase is estimated to be less than \$100,000.
- local governments will experience an increase in expenditures for the costs of increased appeal activity resulting from ratios for sub-classifications as well as the cost of additional appraisals that will be conducted in counties without market activity to support the sub-classification ratios. This increase is estimated to exceed \$100,000 statewide.
- a decrease in local government revenues from equalization in sub-classifications and appeals activity. This decrease is estimated to exceed \$100,000 statewide.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director